



# WASHOE COUNTY

"Dedicated To Excellence in Public Service"

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CM/ACM \_\_\_\_\_

Budget MM

DA Plurvin

Comptroller n/a

HR \_\_\_\_\_

Other n/a

## STAFF REPORT BOARD MEETING DATE: June 9, 2015

**DATE:** May 19, 2015  
**TO:** Board of County Commissioners  
**FROM:** Mary Solorzano, Acting Comptroller  
328-2659, [msolorzano@washoecounty.us](mailto:msolorzano@washoecounty.us)  
**THROUGH:** Joey Orduna Hastings, Assistant County Manager  
328-2000, [jhastings@washoecounty.us](mailto:jhastings@washoecounty.us)  
**SUBJECT:** Approval of the attached resolution to augment the Health Benefits Fund to increase expenditure authority in the amount of \$1,600,000 for fiscal year 2014-15. (All Commission Districts)

### SUMMARY

As of April 30, 2015, health insurance premiums paid for the Washoe County HMO and prescription drug plans are trending above budget and are projected to exceed existing budget by approximately \$1,045,000 for the fiscal year. Similarly, other expenses for the Health Benefits Fund, primarily related to the Affordable Care Act, are also trending above budget. These expenditures are anticipated to exceed existing budget authority by \$555,000 for the 2014-15 fiscal year. There is sufficient cash in the Health Benefits Fund to pay all projected expenses, but additional budget authority is needed to increase appropriations to cover these costs.

**Washoe County Strategic Objective supported by this item:** Sustainability of our financial, social and natural resources.

### PREVIOUS ACTION

On May 19, 2014, the Board of County Commissioners (BCC) approved the fiscal year 2014-15 final budget for the Health Benefits Fund.

### BACKGROUND

Nevada Revised Statutes (NRS) 354.598005 sets forth the requirements for budgetary augmentations or amendments. Further guidance for the treatment of expenses in excess of the original budget of internal service funds is provided by Nevada Administrative Code (NAC) 354.481.

In short, the statute and code allow expenses in excess of the original budget appropriation in an internal service fund, as long as the budget is augmented by the adoption of a resolution by a majority vote of all members of the governing body providing for such a change to the budget. Such adjustments for internal service funds do not necessitate filing the resolution with the Department of Taxation, but shall be included in the next quarterly report to the State.

**FISCAL IMPACT**

Expenditures in the Health Benefits Fund are anticipated to exceed the current budget authority by approximately \$1,600,000 for fiscal year 2014-15. Accordingly, appropriation authority must be increased to meet the fund's needs through year-end. There is sufficient cash in the fund to cover the requested increase.

**Health Benefits Fund**

**Source of Funds**

Net Position	Unappropriated net position	\$1,600,000
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**Increase Expenses**

710514 Regulatory Assessments	\$ 555,000
710740 Health Insurance Premiums	\$1,045,000

**RECOMMENDATION**

It is recommended that the Board of County Commissioners approve the attached resolution to augment the Health Benefits Fund to increase expenditure authority in the amount of \$1,600,000; and direct the Comptroller's Office to make the appropriate budget adjustments.

**POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be: "Move to approve the attached resolution to augment the Health Benefits Fund to increase expenditure authority in the amount of \$1,600,000, and direct the Comptroller's Office to make the appropriate budget adjustments."

**RESOLUTION  
TO AUGMENT THE BUDGET OF THE WASHOE COUNTY HEALTH BENEFITS  
FUND**

WHEREAS, the fiscal year 2014-15 expenditures in the Washoe County Health Benefits Fund are anticipated to exceed existing budget authority; and

WHEREAS, the Health Benefits Fund has sufficient cash to meet these additional expenditures;

NOW THEREFORE BE IT RESOLVED, by the Board of County Commissioners of the County of Washoe, State of Nevada:

Section 1. That the budget of the Washoe County Health Benefits Fund be augmented to increase expenditure authority as follows:

710514 Regulatory Assessments	\$ 555,000
710740 Health Insurance Premiums	\$1,045,000

Section 2. This resolution shall be effective on passage and approval.

Section 3. The County Clerk is hereby directed to distribute copies of the Resolution to the Comptroller's Office and to the Manager's Office.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

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Chairman, Washoe County  
Board of County Commissioners

ATTEST:

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County Clerk